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**VIA EMAIL AND U.S. FIRST CLASS MAIL**

April 22, 2009

William Powers  
Office of the General Counsel  
Federal Election Commission  
999 E Street, N.W.  
Washington, DC 20463

Re: **American Resort Development Association Resort Owners Coalition PAC**

Dear Mr. Powers:

This letter is to set forth some of the steps that the American Resort Development Association-Resort Owners Coalition PAC (ARDA-ROC PAC) has taken in response to the recommendations contained in the audit report on the ARDA-ROC PAC.

The audit report made a number of findings and recommendations. ARDA-ROC PAC undertook steps to follow each of the recommendations made by the audit staff. The findings and recommendations in the Audit Division report were broken into three parts.

**Finding 1 - Misstatement of Financial Activities by ARDA-ROC PAC in 2003 and 2004.**

The audit staff recommended that ARDA-ROC PAC amend its disclosure reports to correct mistakes discovered during the audit process. The ARDA-ROC PAC has filed amended reports, electronically for this period as recommended in the audit report.

ARDA-ROC PAC recordkeeping and accounting procedures have been significantly changed as a result of the problems discovered by the audit. The ARDA employee who had principal staff responsibility for ROC PAC record-keeping and report preparation no longer works for the organization. An outside professional reporting firm, Democracy Data and Communications, LLC ("DDC"), was retained on January 1, 2006 to complete all future ARDA-ROC PAC reports for filing at the Federal Election Commission ("Commission"). DDC has filed a number of additional amended reports to address the issues for the 2003/2004 which led to problems with later reports. The amended reports dated between December 2008 and January 2009 are so the beginning and ending balances of each report subsequent to the audit were updated. (See attached spreadsheet.)

The misstatements of ARDA-ROC PAC financial activities were due principally to a failure to understand the requirement to disclose all PAC disbursements, not just federal candidate contributions. Disbursement to state and local campaigns were disclosed pursuant to the applicable state laws, but were not on the reports filed by the PAC with the Commission. These state and local expenditures and transfers for overhead expenses are the principal sources of the discrepancies found by audit division staff.

**Finding 2 - Receipt of Prohibited Contributions.**

The Audit Report stated that ARDA-ROC PAC had received contributions from apparent prohibited sources during the audit period. The finding was based upon an analysis showing contributions from individuals who had foreign residence addresses or corporate checks. No single contribution from a possible foreign national or corporation was received in an amount of more than \$5.00. Although it is quite likely that at least some of the contributions from individuals with foreign addresses are not prohibited contributions, ARDA-ROC PAC followed the recommendation of the Audit staff on all such contributions.

**Finding 3 - Improper Solicitation of Contributions.**

ARDA-ROC PAC has contacted member organizations to ensure their correct use of home owner member solicitation materials in the future. See attached document. A similar message is placed on the ARDA-ROC PAC website, so is available for development corporations, home owners associations and individual members. The website message is available immediately to members. Also, it was distributed through other means, including newsletters, posted on associations' bulletin boards, individual mailings or a combination of these means. In the past, draft solicitation materials meeting the Commission's requirements were provided to associations and development firms members, but were apparently not used for some local solicitations. These issues have been discussed and reinforced at each ARDA-ROC board meeting since the audit.

I have attached ARDA-ROC PAC bylaws. The bylaws of ARDA have remained essentially unchanged in relevant part from those submitted with the Advisory Opinion Request in 1999.

Should you have any questions regarding this matter or should there be other steps you would recommend that we take, please contact me.

Sincerely,



E. Mark Braden

Enclosures